

So **CHANGE** is

**n**<sup>the  
new</sup>**Ormal**

Now what?

**What change leaders and practitioners need to  
know in a VUCA world**

Change is no longer a process, but a state.

Digital disruption is here to stay.

This demands a new set of capabilities to navigate the VUCA environment.

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## Once upon a time...

Can you imagine your day without a smart phone? As recently as 10 years ago there were no iPhones. You were probably listening to music on your iPod, or perhaps even CDs. You took photos with a digital camera. And you jumped on your desktop computer to surf the net and send and receive emails. Your social media, if you were indeed an early-ish adopter, was probably a profile on Myspace.

Now look at you! Bets are on you've been digitally disrupted!

## The sands are shifting

And what about the world around us? Industries we've worked in, products and services we use? When we consider what else has happened in the last 10 years, we'll see the disruption is relentless. The world's largest taxi company, Uber, owns no vehicles, the largest accommodation provider, AirBNB, owns no property, the fastest growing banks have no actual money, e.g. SocietyOne, and the world's largest movie house, Netflix, owns no cinemas...and the list goes on. We can see that digital disruption has well and truly arrived with no signs of easing. To name just another one, take a moment to consider what driver-less cars will do to the way we move around and the impact on associated industries.

This accelerated speed of change demands an unprecedented agility to remain competitive. Conventional business models are vulnerable. Chaos has replaced certainty. The businesses failing to survive are the ones not seeing the signals, not adapting or simply not keeping up with the pace of change. What once worked no longer guarantees success. Business leaders can no longer look to the past for clues on how to manage the future, let alone the present.

## Welcome to the VUCA world

It's no surprise that in this environment of digital disruption, we are hearing more about the need for *adaptive leadership*. Businesses must become more proactively *adaptive*, try things and learn from failure faster, deliver solutions to the customer more quickly and take a truly human-centred design approach to product, service and nimble delivery.

This environment is now often referred to as VUCA (pronounced voo-ka). Whilst this acronym for *volatility, uncertainty, complexity* and *ambiguity* was coined by the US military back in the late 1990's, it's gained momentum after the 2001 terrorist attacks. Now, it's increasingly relevant in a business context, as decision making is becoming increasingly complex.

### VUCA characteristics

<b>VOLATILITY</b>	<b>V</b>	Unexpected or unstable circumstances, often of an unknown duration, accelerating the rate of change.
<b>UNCERTAINTY</b>	<b>U</b>	A lack of clarity and predictability around the present situation and future outcomes.
<b>COMPLEXITY</b>	<b>C</b>	A range of multiple connected parts and variables involved, making 'joining the dots' even more difficult.
<b>AMBIGUITY</b>	<b>A</b>	There are no precedents for what's happening or for what you plan to do; a lack of clarity around the meaning of an event. This is the place of the 'unknown unknowns'.

# Generations of disruption

We also know things are moving so fast, that today's disruptor can easily be tomorrow's disrupted. By way of example, let's take the last 30 years in the music industry. We saw the record player that played vinyls, to the CD player and Walkman (in between somewhere there were cassette tapes), to be replaced MP3 players and iTunes. More recently, Spotify has entered the market, providing music on demand without the need to download files. This is one of numerous examples across many industries.



So how do leaders stay up to date in a rapidly changing world? The conventional model of attending leadership programs and learning on the job or through coaching may not keep up with the calibre of skills needed to succeed in a VUCA environment. Solutions from the past, applied to solve today's challenges, and those of the future, are proving to be of little or no value.

# Navigating VUCA

**VUCA presents a paradox.** Whilst we cannot predict the future based on the past, we need to make sense of it, accelerate our delivery, accept our failures as a learning experience and be nimble to quickly adjust and improve through numerous short-cycle iterations.

In the complexity of our VUCA world, it would be easy to defend a perceived safe position of inaction in the name of uncertainty and too many 'unknown unknowns'. Instead of shying away from a state that's here to stay, we need to explore approaches that support our businesses and offer us insights into what we can do as change practitioners. *The VUCA Prime*, developed by Bob Johansen, offers optimism through a framework to help us mitigate the VUCA challenges.

*The VUCA Prime* (see table below) recommends that leaders provide *vision, understanding, certainty* and *agility* to minimise the impact of VUCA on our decisions and actions. It provides clues to the capabilities required of leaders, to turn challenges into opportunity.

## The VUCA Prime

<b>V</b>	VISION	Providing a clear vision is critical in the VUCA world, with a view of where the leaders see the organisation positioned in the next couple of years. Leaders who articulate a vision send a clear intent and message that they plan to create a future.
<b>U</b>	UNDERSTANDING	To understand is to stop, look and listen beyond your area of expertise to make sense of the broader, competitive environment. By exploring the periphery beyond your own business, you are likely to discover new ways of thinking.
<b>C</b>	CERTAINTY	Look for what is known amidst the chaos. What does make sense? Use this information as 'anchors of certainty' for your people and for your decisions, to make some sense of the chaos.
<b>A</b>	AGILITY	To be agile is to be nimble, and able to communicate across all levels. It involves letting go of hierarchical engagement models, with top down cascaded communication, use all networks available, and adapting responses to unique situations as they arise. Be clear on your overall goals and vision, <b>and</b> agile in the way you get there.

*A ship is safe in  
harbour,  
but that's not  
what ships are for.*

*William G. T. Shedd*



# Change is no longer a process

*Change is no longer a process, it's the new normal!*

As change influencers and leaders, we have new challenges to navigate this VUCA world where **change is the new normal**. Much of our methodology and practice, up until now, has been based on theoretical change models that define change as having a beginning, middle and an end. For example, Kurt Lewin's model explains organisational change as a process of unfreezing, changing and refreezing. So what happens when our organisations that are now in a constant state of the 'middle bit' with little or no time to refreeze? A defined end state has lost relevance in an environment that's continuously disrupted.

The VUCA environment demands from leaders, and particularly from change folk, a refresh of our capabilities and approach to how we advise and support change. **So what does change mastery look like in a VUCA world?**

## Capabilities for change mastery

How do we take into account:

- human-centred design
- customer centricity
- the VUCA environment
- the market demands of developing fast delivery of product or service
- agile project and change methodologies that are now part of our practice

to further build the capabilities we'll need?

Based on the characteristics of the VUCA Prime, two key capabilities come to mind:

1. Making sense of agility
2. Understanding hardwired human behaviour

## Making sense of agility

In the VUCA environment, fewer CEOs are sponsoring long term, multi-year transformation programs. Typically, change practitioners will find themselves landing in more projects that are following an agile practices. Change methodologies are quickly adjusting to align to this way of delivery. With agile change practices fast becoming part of the change toolkit, we also need to adopt agility in our behaviours and thinking.

***Agility is not just about a methodology, it's a mindset. So, what does agility in practice look like? How do we make sense of agility? And more importantly, how do we achieve it?***

Agility in mindset is a combination of various approaches and thinking. It's versatile, adaptive and nimble in decision making. It demonstrates a tolerance for ambiguity, with a resilience to changing goal posts and uncertainty. It's a curious mind hungry for new information, with the qualities of what is defined as a 'growth mindset'. A growth mindset, as opposed to a fixed one, is one that thrives on challenge and welcomes failure as an opportunity to learn and improve. According to Carol Dweck, author of the book, *Mindset, A new psychology of success*, someone with a growth mindset is prepared to step outside of their comfort zone, take a risk and willing to stretch themselves.

We need to be open to new ideas and ways of working, so we are nimble enough to change tack when the winds take a different direction.

*Agile is not just a methodology, it's a mindset.*



# Change capabilities for the VUCA world

CAPABILITY	WHAT WE NEED TO DEMONSTRATE
<b>Makin sense of agility</b>	<p>We can:</p> <ul style="list-style-type: none"><li>▪ apply an adaptive problem solving approach to recognise failures and challenges as opportunities for learning and improvement</li><li>▪ evolve and adapt, with resilience, to meet the changing requirements of an agile environment, understanding that an end-state may be ambiguous</li><li>▪ adopt agility in our approach, behaviours and mindset in our change practice, such as working out loud, co-creating artefacts and using visual management tools to drive productive stakeholder conversations</li></ul>
<b>Hardwired human behaviour</b>	<p>We can:</p> <ul style="list-style-type: none"><li>▪ articulate why and how we are hardwired to respond to new information and change</li><li>▪ consider these human responses in our change planning and interventions</li></ul>

## Why we need to be curious

What have you learned, by intent or chance, from being curious? After a long period of ‘bad press’ about curiosity killing the cat, curiosity is now applauded as a much needed attribute, particularly in a VUCA world. We need to become more curious about our own behavioural responses and capabilities **ALONG WITH** those of the people and world around us.

Being curious is to have a mind that is continuously open to learning and new ideas, which in turn means we pick up more clues and cues to find anchors of certainty. It’s critical for an agile mindset as it demonstrates the flexibility and ability to proactively seek information to help make sense of uncertainty and ambiguity to break new ground. In a recent HBR article, Tomas Chamorro-Premuzic writes that curiosity is as important as IQ and EQ, labelling the virtue as CQ for Curiosity Quotient.

It’s critical for managing complexity, makes one more tolerant of ambiguity and leads to deeper knowledge over time, making curiosity a useful tool for handling complex problems. The good news, according to Chamorro-Premuzic, is that CQ can be developed. Curiosity is part of the agile mindset we need to navigate the VUCA environment.

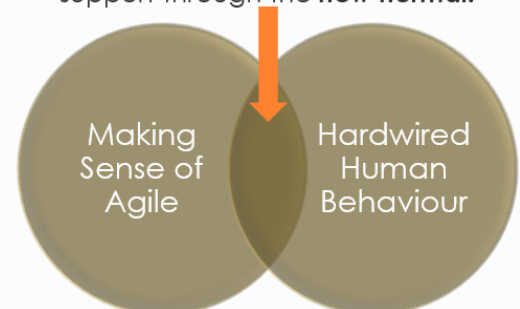
## Understanding hardwired human behaviour

### What really makes us tick?

To date, many change capability models have focussed on technical skills relating to executing end to end change management.

More important now than ever before, we need to understand what really makes humans tick. Whilst we already know a great deal about human behaviour and people impacts, and many of us will be confident that our EI is high, we can’t ignore recent findings in neuroscience and behavioural economics that provide new insights into hardwired human behaviour and biases. **The world is changing at an unprecedented rate, yet the basic architecture of our brain isn’t.** Physiologically, our brains are pretty much the same as they were some 200,000 years ago!

These two key capabilities are **complementary**, as together they enable a **human-centred** focus to lead and support through the **new normal**.



*Building our capability will rely more on developing our Professional Learning Networks.*

We now know more about why rational people can do some very irrational, and often unpredictable, things, and how we are influenced and primed at conscious and sub-conscious levels. With the increased use of neuroimaging technology such as Functional Magnetic Resonance Imaging (fMRI), used to carry out research that monitors human behavioural responses in real time, change management and leadership is fast transforming from an art to a real science. For example, David Rock's SCARF model provides scientific insights into the human threat and reward response to new information and change. When one element of the SCARF model – *status, certainty, autonomy, relatedness and fairness* – is taken from us, our brain activates a threat response. We need to stay abreast of these findings to ensure the human element is understood and considered in change design.

If we consider that customer centricity is at the heart of design thinking, where new products and services are scoped and tested, we have a compelling case for further building our capability to better understand our customers, just as much as we need to take into account our impacted users and stakeholders.

## Agile is not entirely new

Of course, the concept of agile as a practice is not new. The **Agile Manifesto**, designed for software development, was written back in 2001. Its intent was not to be anti-methodology; rather it was to bring about a balanced view that would welcome adjustments and pace. In the manifesto we can see the elements that are core to change practitioners in an agile world: a focus on the customer, a nimble approach and value placed on people over process.

## How will we learn what we need to know?

Whilst we hear a great deal about digital disruption, the VUCA world and agile methodologies, we hear less about the skills that change practitioners now need to navigate these turbulent waters, and how to build these capabilities. **The practice of change management, as we know it, is being turned on its head.** Where will we land? And how will we know what to do? That, in itself, is part of the uncertainty the VUCA world presents. This level of uncertainty and disruption requires close collaboration with peers and industry networks to share learnings, as we experience this in different ways.

Thinking about it is only the beginning! We need to focus on what we **can** do. This places a greater importance on directing our learning through developing our **Professional Learning Network (PLN)**, to navigate VUCA in our own world. Developing a PLN signals an intention to learn, with an understanding that much of this learning will take place organically.

As information evolves so quickly, textbooks alone will not provide all the answers. This means that we will learn fast, we'll make mistakes, we'll learn as we go, from each other and by connecting, to keep our knowledge and skills relevant.

### *The Agile Manifesto – a statement of values*

<i>Individuals and interactions</i>	<b>OVER</b>	<i>Process and tools</i>
<i>Working software</i>	<b>OVER</b>	<i>Comprehensive documentation</i>
<i>Customer collaboration</i>	<b>OVER</b>	<i>Contract Negotiation</i>
<i>Responding to change</i>	<b>OVER</b>	<i>Following a plan</i>



## The challenges

Adopting agility in mindset and behaviours is not something we can acquire by attending one or two workshops. What we can do is raise the awareness of what agility in thinking looks like and draw connections to the actual agile change practices. For many, this will represent a departure from a linear, process-driven approach to a place where we can engage with our stakeholders without having the answers, and facilitate to co-create.

To be truly agile, beyond becoming an adopter of agile change methodologies, demands a mindset shift.

One challenge will be letting go of the practices and processes that have served us so well for decades.



The lesson for leaders, and change practitioners, is that facts alone will not change a mindset, especially if they do not fit our current mental models. It requires more effort, such as providing safe forums to involve employees in devising a solution to help them discover their own insights; join their own dots. We know from our findings in neuroscience that when we reach our own 'AHA' moment, new neurons in our brain are fired, and we are on the cusp of behaviour change and embedded learning.

In adopting a different mindset, we don't want to throw out the proverbial baby with the bathwater. There will be times when our conventional approaches and artefacts will be useful, and times when they will be a hindrance.

The challenge will be acquiring the wisdom, and confidence, of knowing when and what to hang on to and when to let go.

If we look at this through a lens of digital disruption, one could say the practices of Agile and Change matched on Tinder and decided to keep on dating. And to continue the dating metaphor, this relationship is about to get more serious. These two are going to hang out together.



## *Disruption @ work – Yammer is changing the way we connect*

In the workplace, many organisations have adopted Enterprise Social Networks (ESNs) such as Yammer. Yammer has disrupted formal communication channels, by enabling all employees, of any rank and file, to crowdsource solutions and share their knowledge outside formal layers and hierarchy. It's reshaping the way we communicate, collaborate and learn in an organisation. By decentralising knowledge and power, it's breaking down silos and geographical barriers whilst challenging formal processes. It's common to source a solution or answer faster via Yammer, than by following recommended processes such as phoning help desks or finding manuals on the company intranet.

Whilst it's difficult to quantify productivity gains through rapid solution and fact finding, aka a #yammerwin, there is no doubt that ESNs are the game changers that are accelerating knowledge transfer and management in organisations. As an effective channel to 'work out loud', it supports agile practices. Online posts become a searchable database for all employees to access, making it an efficient mechanism for agile approaches, as it expedites communication and buy-in.

### ***If agile is the buzz...then Yammer is the accessory.***

ESNs, typically Yammer, are being adopted by more change practitioners across numerous organisations as critical communications and engagement channels.



## *KODAK case in point – Jack be nimble, Jack be quick*

Interestingly, the digital camera was invented back in 1975. Even more interesting, is that it was invented by a Kodak employee. How did Kodak get itself in the position that its own business was disrupted and eventually overtaken by more nimble, digital competitors?

The process of creating photos with our phones and sharing them around within seconds, which we take for granted today, is the same idea that was rejected by Kodak in the 1970s. Kodak was convinced that there was no market for people looking at their photos on a screen. The young inventor, a Kodak employee at the time, advised his superiors that as technology advanced, so would the process of taking digital snaps, with a potentially growing consumer market. The Kodak execs feared this new camera would cannibalise their existing market of flash bulbs, cameras, movie film, negatives and printed photographs.

Eventually, when Kodak did introduce a digital camera, it didn't fully get on board with digital photography, leaving the market wide open for smart phones. Too slow to adopt and failing to see the signals in the market, Kodak, the 131 year old film pioneer filed for bankruptcy in 2012.



## So what, now what?

Now that change is no longer a process, are we still 'managing' change? How relevant is the term, activity or role title of 'change manager'? Are we really managing change, or designing human-centred approaches to ease adoption and deliver rapid solutions?

Are we becoming change navigators or transformation consultants? This paper doesn't intend to address this, but it does beg the question and provoke the thinking. Our roles are being transformed, as are the capabilities expected of us.

Traditional change management practice has given birth to terms such as 'change fatigue' and 'change readiness' as activities or considerations for successful change. But now that change is the new normal, a business that doesn't have the inbuilt capability, or can restructure its organisational DNA to absorb ongoing change, will no longer have a competitive advantage. One possibility is that the 'change readiness survey' will be an artefact of the past and will give way to a 'change agility quotient'.

Regardless of where the nature of our roles actually land, there is a compelling need to self direct our ongoing learning, develop our Professional Learning Networks, and challenge ourselves to demonstrate agility in this disruptive, VUCA world.



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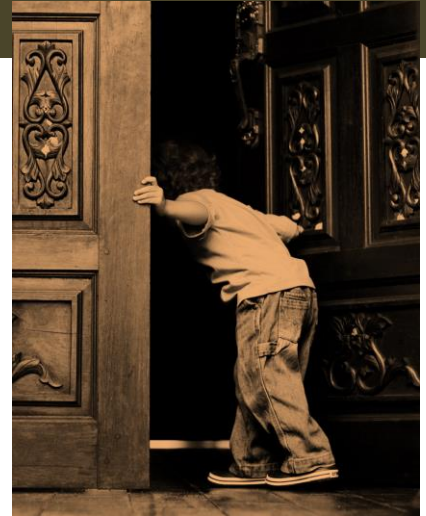
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*I have no special talents.  
I am only passionately  
curious.*

Albert Einstein



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